

Amended Bylaws of Athlos Academy of St. Cloud



Board Policy 2003
Approved: 10/24/2016
Revised: 11/27/2018

AMENDED BYLAWS OF ATHLOS ACADEMY OF ST. CLOUD A Minnesota Nonprofit Corporation

The governance of the Corporation will at all times be in accord with the provisions of Minnesota Statutes, Chapter 124E (formerly sections 124D.10 and 124D.11) and such other provisions of Minnesota laws as are therein referenced, all other statutory requirements and in compliance with the Minnesota Open Meeting Law, Minnesota Statutes, Chapter 13D.01 et. seq. and Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.01 et.seq. In the event that there are conflicts between the provisions of Minnesota Statutes, Chapter 124E (the Charter School Law) and Minnesota Statutes, Chapter 317A, (the Non-Profit Corporation Act), the provisions of the Charter School Law shall govern. Likewise, the Open Meeting Law, Chapter 13D.01 takes precedent over any conflict surfacing from Minnesota Statutes, Chapter 317A, the Non-Profit Corporation Act.

ARTICLE I ORGANIZATION

- 1.1 Principal Office. The principal office of Athlos Academy of St. Cloud, a Minnesota Nonprofit Corporation ("Corporation"), is 3701 33rd Street South, St. Cloud, MN. The Corporation may have other offices as the Board of Directors may designate or as the business of the Corporation may require from time to time.
- 1.2 Powers. The Corporation shall have such powers as are now or may hereafter be granted by Chapter 317A of the Minnesota Statutes, known as the Minnesota Non-Profit Corporation Act (the "Act"), or any successor legislation; except that such powers may be exercised only in furtherance of the purposes of the Corporation as stated in its Articles of Incorporation and consistent with its status as a corporation described in Section 501(c)(3) of the Internal Revenue Code.
- 1.3 Registered Office. The registered office of the Corporation is in the State of Minnesota as required by the Act, located at 3701 33rd Street South, St. Cloud, MN, and may be changed from time to time by the Board of Directors, or as otherwise provided by the Act.
- 1.4 Seal. The organization shall not have a seal, but may design a logo.
- 1.5 Name Change. The organization may, by a two-thirds (2/3) vote of the Board of Directors, change its name.
- 1.6 Purpose. The purposes of the Corporation are set forth in the Articles of Incorporation.

ARTICLE II BOARD OF DIRECTORS

- 2.1 General Powers and Standard of Care. The affairs of the Corporation shall be managed by its Board of Directors. Except as limited by the Articles of Incorporation, these Bylaws, Minnesota Statutes, Chapter 124E, and by law, the Board of Directors shall have the power and authority to do all acts and perform all functions that the Corporation may do or perform.

A Director shall perform his or her duties as a Director, including as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation, and with such care as a ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a Director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial

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data, in each case prepared or presented by:

- (a) officers or employees of the Corporation the Director reasonably believes to be reliable and competent in the matters presented;
- (b) legal counsel, public accountants or other persons as to matters that the Director reasonably believes to be within such person's professional or expert competence; or
- (c) a committee of the Board upon which the Director does not serve as to matters within the committee's designated authority, which committee the Director reasonably believes to merit confidence;

but a Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted. A person who performs these duties of a Director shall have no liability to the Corporation by reason of being or having been a Director of the Corporation.

2.2 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which any action on any corporate matter is taken is presumed to have assented to the action unless the Director's dissent is entered in the minutes of the meeting.

2.3 Number, Election, Qualification and Training of Directors. The Board of Directors of the Corporation shall consist of at least five (5), but not more than seven (7) non-related members, as defined by Minn. Stat. 124E.07, and include at least one (i) licensed teacher employed by the Corporation, (ii) parent or legal guardian of an enrolled student who is not an employee, and (iii) community member who resides in Minnesota who is not employed by the Corporation or a parent or legal guardian of an enrolled student. The board may include a majority of parents or community members as described in this paragraph, or it may have no clear majority, but it may not have a majority of teachers. A teacher may not serve as the chairperson of the Board of Directors. A teacher employed at the school who is also a parent of a child enrolled at the school is eligible for a teacher Director position and is ineligible for a parent Director position. No charter school employees shall serve on the board other than teachers to meet the requirements of Minn. Stat. 124E.07 Subd. 3. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school. An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual is prohibited from serving as a board member if an immediate family member is an employee of the school. A violation of this prohibition renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation. Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

The names and addresses of the members of the Founding Board of Directors have been stated in the Articles. Founding Directors shall be appointed by a majority vote of the existing Directors prior to June 1 of the year preceding the school's operation. Directors will be assigned a number one through seven based on their date of appointment as Directors. All Founding Directors must be elected by the third year of the school's operation by a majority vote of the faculty, staff, and parents of enrolled students. All subsequent Directors must be elected in this way. Elections will be held annually. Election of Directors will be staggered as follows: Directors one (1) and three (3) shall be elected in year one (1) of the school's operation. Directors two (2) and six (6) shall be elected in year two (2) of the school's operation. Directors four (4), five (5), and seven (7) shall be elected in year three (3) of the school's operation. Elections will be held annually during the May board meeting. All director terms shall likewise end at the May board meeting. Each Director shall attend an annual training as defined by Minn. Stat. 124E.07.

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2.4 Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Directors. A Director elected to fill a vacancy is elected for the unexpired term of the Director's predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the Board of Directors for a term of office continuing only until the next regular election of Directors.

2.5 Resignation. A director may resign their position on the Board of Directors at any time. A resignation shall become official upon receipt of a letter by the Secretary of the Corporation stating an intent to resign.

2.6 Removal of Directors. At a meeting of the Board of Directors called expressly for that purpose, any director may be removed with cause (as defined in the Act) by a vote of a majority of the Directors then in office. Any Director may be removed at such a meeting without cause by a vote of two-thirds of the Directors then in office. A school teacher who is a Director and no longer employed at the school is ineligible to be a Director and is removed from the Board as of the date of employment resignation or termination. A community member Director who, during his or her Board term, becomes employed at the school or becomes a parent of a child enrolled at the school is removed from the Board as of the date of such employment or enrollment. A parent Director whose child is unenrolled from the school during such Director's term is removed from the Board as of the date of such unenrollment. Unenrollment is defined in board policy.

2.7 Committees of the Board of Directors.

2.7.1 Membership. The Board of Directors, by resolution adopted by the Directors then in office, may designate and appoint one or more Director committees, each of which shall consist of at least two Directors. Committees may have voting members who are not Directors.

2.7.2 Authority. Director committees, to the extent provided in the resolution establishing the committee, will have and exercise the authority of the Board of Directors in the management of the Corporation; provided, however, that no Director committee may have the authority of the Board of Directors in reference to (i) authorize distributions, (ii) approve dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets, (iii) elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees, or (iv) adopt, amend or repeal the Articles or these Bylaws. The designation and appointment of any committee and the delegation of authority to a committee does not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on the Board of Directors, or any individual Director.

2.7.3 Tenure. Each member of a committee will continue as such until the next annual meeting of the Board of Directors of the Corporation and until a successor is appointed unless (i) the committee is sooner terminated, (ii) the member is removed from the committee, or (iii) the member ceases to qualify as a member of the committee.

2.7.4 Chairperson. The Board of Directors will appoint one member of each committee as chairperson.

2.7.5 Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

2.7.6 Resignation. Any committee member may resign their position on a committee at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Unless otherwise specified in the notice of resignation, the resignation takes effect upon receipt. Acceptance of the resignation is not necessary to make the resignation effective.

2.7.7 Removal. The Board of Directors may remove a member with or without cause.

2.8 Directors' and Committee Meetings. Meetings of the Board of Directors, regular or special, or meetings of any committee, shall comply with Minnesota Open Meeting Law, Minn. Stat. chapter 13D. Unless otherwise specified in this section or in the notice for the meeting, all meetings will be held at the principal

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office of the Corporation.

The attendance at or participation of a Director or committee member in any meeting constitutes a waiver of notice of the meeting, except where a Director or committee member attends or participates for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

2.9 Waiver of Notice. Whenever any notice is required to be given to any Director or committee member under the provisions of the Act, the Articles or these Bylaws, a waiver, in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, is equivalent to the giving of such notice.

2.10 Quorum and Voting Requirements. A majority of the number of Directors constitutes a quorum for the transaction of business at meetings of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present is the act of the Board of Directors. A majority of the number of committee members fixed and appointed by the Board of Directors or the President, as the case may be, constitutes a quorum for the transaction of business at a meeting of the committee. The act of the majority of the committee members present at a meeting at which a quorum is present is the act of the committee.

2.11 Reserved.

2.12 Compensation. No Director or committee member may receive a salary or compensation for services in that capacity. Directors or committee members may be reimbursed for actual expenses incurred (or a per diem in an amount not more than \$55 per day, unless amended by section 15.056 subdivision 3 of the Act) in the performance of services as a Director or committee member. This provision does not apply to compensation paid to a teacher employed as a teacher by the corporation or a teacher who provides instructional services to Athlos Academy of St. Cloud through a cooperative formed under chapter 308A when the teacher also serves on the Board of Directors.

2.13 Director Conflicts of Interest. The Board of Directors shall adopt a Conflicts of Interest Policy compliant with Minn. Stat. 124E.14. No member of the Board of Directors may participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when the board member, an immediate member of his/her family, his/her partner, or a corporation employing any of the aforementioned, has a financial or other interest in an entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

2.14 Loans to Directors. The Corporation shall not lend money to or use its credit to assist its Directors or Officers.

2.15 Liability of Directors for Wrongful Distribution of Assets. In addition to any other liabilities imposed by law upon the Directors of the Corporation, the Directors who vote for or assent to any distribution of assets, other than in payment of its debts, when the Corporation is insolvent or when the distribution will render the Corporation insolvent, or during the liquidation of the Corporation without the payment and discharge of or making adequate provisions for all known debts, obligations and liabilities of the Corporation, shall be jointly and severally liable to the Corporation for the value of the assets that are distributed, to the extent that debts, obligations and liabilities of the Corporation are not paid and discharged.

A Director is not liable under this section if, in the exercise of ordinary care, the Director relied and acted in good faith upon written financial statements of the Corporation represented to Director to be correct by an officer of the Corporation having charge of its books of account, or certified by an independent licensed or certified public accountant or firm of accountants to reflect fairly the financial condition of the Corporation, nor shall the Director be liable if, in the exercise of ordinary care and good faith, in determining the amount available for a distribution, the Director considered the assets to be equal to their book value.

A Director is not liable under this section, if, in the exercise of ordinary care, the Director acted in good faith

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and in reliance upon the written opinion of an attorney for the Corporation.

A Director against whom a claim is asserted under this section and who is held liable is entitled to contribution from the persons who accepted or received the distribution knowing the distribution was made in violation of this section, in proportion to the amounts received by them respectively.

2.16 Meetings Conducted by Interactive TV. Directors may participate in a meeting through use of conference telephone, electronic video communication, or other electronic transmission so long as all of the following apply:

- (a) each Director participating in the meeting can hear and see all of the other Directors concurrently;
- (b) members of the public at all locations can hear and see all matters discussed by the Directors;
- (c) at least one Director is present at the regular meeting location;
- (d) each location at which a member of the body is present is open and accessible to the public;
- (e) The public is able to monitor the meeting electronically from a remote location;
- (f) each Director is provided with the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation;
- (g) any vote on a matter is conducted by roll call; and
- (h) notice of any meeting where interactive technology is used must be provided to the public and posted on the website and at all locations where a Director will participate at least three (3) days prior to a regular meeting. The Board may require a person requesting attendance of the meeting via an electronic device to pay for any documented additional costs incurred as a result of an additional connection.

2.17 Advisory Council. The Board of Directors, from time to time and in its discretion, may invite or appoint interested persons to a volunteer advisory council of the Board of Directors. Volunteer members of the advisory council will serve at the pleasure of the Board and will not vote, or have a vote, on any Board action. Advisory council members will be chosen or invited based on their interest in the Corporation's purposes and their expertise or ability to advise the Board of Directors on matters related to the Corporation's purpose.

2.18 Board Member Attendance. In order to effectively execute board duties, board members shall regularly attend board and committee meetings, attending 80% or greater of the board meetings in a given year. An un-notified absence is one in which the board member did not notify the board or committee chair of his/her pending absence at least 24 hours prior to the meeting. A board member shall be deemed to be out of conformity with the requirement to regularly attend board meetings if:

- (a) the member has two un-notified absences from a board meeting within a one-year period;
- (b) the member misses three consecutive board meetings for any reason;
- (c) the member has two un-notified absences from a committee meeting within a one-year period;
- (d) the member misses three consecutive committee meetings for any reason; or
- (e) the member misses greater than 20% of the total number of board and committee meetings in a one-year period.

If a board member fails to meet these standards for attendance, the board chair shall notify the board member in writing and schedule an agenda item for the next board meeting to consider dismissal of the board member. At a board meeting where there is an agenda item to consider dismissal of a board member due to attendance concerns, the board member shall be given an opportunity to address the board at that meeting and the Board may vote to remove the board member by a majority vote.

ARTICLE III OFFICERS

3.1 Number. The officers of the Corporation will consist of a President, Vice President, Secretary, and Treasurer. The Board of Directors may elect or appoint other officers or assistant officers in

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the Board's discretion. Any two (2) or more offices may be held by the same person except the offices of President, Treasurer and Secretary.

3.2 Election and Term of Office. Staff members employed at the Corporation, parents and legal guardians of enrolled children, and the Board of Directors will elect the officers of the Corporation annually at the annual meeting of the Board of Directors. If the election of officers is not held at the annual meeting, the Board of Directors shall hold the election shall as soon as practicable after the annual meeting. Each officer will hold office until a successor is duly elected and qualified, until the officer's death, or until the officer resigns or is removed. Notice of any election shall be provided at least thirty (30) days prior to the meeting.

3.3 Removal. The Board of Directors may remove any officer or agent whenever, in its judgment, the best interests of the Corporation will be served by removal. Any such removal shall not prejudice the contract rights, if any, of the officer or agent removed. Election or appointment of an officer or agent does not of itself create contract rights.

3.4 Vacancies. The Board of Directors may appoint an individual to fill a vacancy in any office because of death, resignation, removal, disqualification or otherwise for the unexpired portion of the term.

3.5 President. The President is the principal executive officer of the Corporation and, subject to the control of the Board of Directors, will in general supervise and control all of the business and affairs of the Corporation. The President presides at all meetings of the Board of Directors. The President may sign, with the Secretary or any other officer authorized by the Board of Directors, any promissory notes, deeds, mortgages, leases, contracts, or other instruments that the Board of Directors has authorized for execution, except in the cases where the signing and execution is expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or is required by law to be otherwise signed or executed. The President will co-sign all checks or other deposit account withdrawals in excess of five thousand dollars (\$5,000.00) and, in general, will perform all duties incident to the office of President and any other duties as the Board of Directors may prescribe from time to time.

3.6 Vice President: In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President will perform the duties of the President. When so acting, the Vice President has all the powers of and is subject to all the restrictions on the President. The Vice President will perform other duties as the President or the Board of Directors may assign.

3.7 Secretary. The Secretary will attend all meetings of the Board of Directors and will prepare and maintain minutes of those meetings. The Secretary has custody of and shall protect all executed deeds, leases, agreements and other legal documents and records to which the Corporation is a party or by which it is legally affected. The Secretary will, in general, perform all duties incident to the office of Secretary and any other duties assigned to the Secretary by the President or the Board of Directors.

3.8 Treasurer. The Treasurer is the principal financial officer of the Corporation and has charge and custody of and is responsible for all funds of the Corporation. The Treasurer will sign all checks and promissory notes of the Corporation and will receive and give receipts for moneys due and payable to the Corporation from any source and deposit all moneys in the name of the Corporation in banks, trust companies or other depositories as selected by the Board of Directors. The Treasurer will keep or cause to be kept, adequate and correct accounts of the Corporation, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer will submit to the Board of Directors and the President, when required, statements of the financial affairs of the Corporation. The Treasurer will, in general, perform all financial duties incident to the office of Treasurer and any other duties assigned to the Treasurer by the President or the Board of Directors.

3.9 Reserved.

3.10 Officer Conflict of Interest. Officers of the Corporation are subject to the Conflict of Interest policy approved by the Board of Directors and section 2.13 of these Bylaws.

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ARTICLE IV STAFF

4.1 Employment. The Board of Directors has authority to employ an Executive Director and any other staff as the Corporation may reasonably require from time to time.

4.2 Terms of Employment. The Board of Directors must approve all compensation paid to a staff person. Compensation for staff personnel must be reasonable and will be based on the following factors: (1) the amount and type of compensation received by others in similar positions, (2) the compensation levels paid in our particular geographic community, (3) the amount of time the individual spends carrying out the duties of his or her position, (4) the expertise and other pertinent background of the individual, (5) the size and complexity of the organization, and (6) the need of the organization for the services of the particular individual.

The terms and conditions of employment of the staff may be set forth in a written contract approved by the Board of Directors and signed by the Corporation and the staff person. All positions shall be at-will.

4.3. Staff Conflict of Interest. Any staff person who has an interest in a contract or other transaction presented to the Board or a committee for authorization, approval, or ratification shall make a prompt and full disclosure of his or her interest to the Board or committee prior to its acting on the contract or transaction. This disclosure must include any relevant and material facts known to the person about the contract or transaction that might reasonably be construed to be adverse to the Corporation's interest.

ARTICLE V MISCELLANEOUS

5.1 Indemnification of Officers, Directors, Employees and Agents. The Corporation may indemnify Directors, officers, employees and agents of the Corporation to the extent permitted by, and in accordance with, the Act. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation against any liability asserted against the person or incurred by the person in any such capacity or arising out of the person's status as a Director, officer, employee or agent.

5.2 Books and Records. The Corporation shall keep and maintain, at its registered office or principal place of business: (i) correct and complete books and records of account; (ii) minutes of the proceedings of its Board of Directors and committees, which shall include a Journal of Votes; and (iii) a record of the names and addresses of all members of the Board of Directors. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

5.3 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name.

5.4 Contracts. The Board of Directors may authorize any officer or officer's agent or agents of the Corporation, in addition to the officers authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Officer's agents and agents of the Corporation may not enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation if a conflict of interest as defined in section 2.13 exists.

5.5 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the officer or officer's agent or agents of the Corporation as provided for in these Bylaws or in the manner determined by the Board of Directors.

5.6 Deposits. All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in the banks, trust companies or other depositories selected by the Board of Directors.

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5.7 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes of or for any special purpose of the Corporation.

5.8 Annual Financial Statements. The officers of the Corporation shall cause a balance sheet as of the closing date of the last fiscal year, together with a statement of income and expenditures for the year ending on that date, to be prepared and presented at each annual meeting of the Board of Directors.

5.9 Fiscal Year. The fiscal year of the Corporation begins on the first day of July and ends on the last day of June each year, except that the first fiscal year will begin on the date of incorporation.

5.10 Regulation of Internal Affairs. The internal affairs of the Corporation are regulated as set forth in these Bylaws to the extent that these Bylaws are lawful under the Act. With respect to any matter not covered in these Bylaws, the provisions of the Act control so long as the Act is not inconsistent with the lawful provisions of these Bylaws.

5.11 Electronic Transmissions. Unless otherwise provided in these Bylaws or contraindicated by Minnesota Open Meetings Law, and subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms "written" and "in writing" as used in these Bylaws include any form of recorded message capable of comprehension by ordinary visual means, and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the corporation, the corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the corporation, the corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent the transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into a clearly legible and tangible form.

5.12 Amendments. Subject to the right of the Members to adopt, amend and repeal these Bylaws as set forth in Minnesota Statutes, section 317A.181, Subd. 2(b), the power to adopt, amend or repeal the Bylaws is vested in the Board of Directors. In all cases, these Bylaws shall be compliant with Minnesota and Federal statutes and rules governing Charter Schools. In cases of any current or future conflict, the statute or rule shall govern.

The Board may amend its governance model, set forth in Article V, only by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative. A qualified licensed teacher is teaching for at least a .51FTE. This governance change process is controlled by Minnesota Statutes, Chapter 124E.07, Subd.4 which also requires approval of the authorizer.

The undersigned, being the Acting Secretary of the Corporation, does hereby certify that the foregoing Bylaws were duly adopted as the official Bylaws of the Corporation on October 24th, 2016.